



**California High-Speed Rail:  
Financial Reports Executive Summary**

October 2018

# Executive Summary for October 2018

## Accounts Payable Aging And Disputes Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Oct-17	Sep-18	Oct-18
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$16.5	\$27.5	\$22.3
Number of Invoices Paid	328	184	398
Value of Invoices Paid	\$65.8	\$65.8	\$98.1
Number of In-Process Invoices	201	165	109
Value of In-Process Invoices	\$69.3	\$53.7	\$41.8
Total Number of Invoices Paid and In Progress	529	349	507

- ▶ The Authority has not had an aged invoice in 12 months and has not made a penalty payment in 19 months.
- ▶ The Authority currently has 309 disputed invoices with a total value of \$22.3M. This is a 18.9% or \$5.2M decrease from the \$27.5M reported last month. However, disputes have increased 35.2% or \$5.8M from the \$16.5M reported last year during the same reporting period.
- ▶ While not yet fully processed, the Authority resolved 42 disputed invoices with a total value of \$4M in late August. This decrease will be reflected in a subsequent reporting month.

**Note:** The total number of invoices paid and in-process will fluctuate depending on the progress of the project.

## Cash Management Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Oct-17	Sep-18	Oct-18
Prop IA Bond Fund Ending Cash Balance	\$1,205.0	\$1,044.3	\$940.8
Cap and Trade Ending Cash Balance	\$762.6	\$1,529.2	\$1,524.7

- ▶ Cap and Trade funds are generally used for program priorities such as financial advisors, federal contracts, and other projects (e.g. San Mateo Grade Separation). Cap and Trade auctions occur four times per year (Aug, Nov, Feb, May) and cash becomes available generally within 45 days.
- ▶ Prop IA funds are generally used for program priorities including Administration, Project Development (environmental studies, planning, and preliminary engineering), Construction activities (civil works and ROW), and Local Assistance (Bookend projects). Bond sales are conducted twice per year by the State Treasurer's Office (STO) in the spring and fall; cash becomes available generally within one month.

**Note:** A Cap and Trade auction occurred on Aug 14, 2018. The preliminary share of the auction proceeds for the Authority is estimated at \$199.7M and is subject to foreign exchange and state operations adjustments. The proceeds are expected within 45 days of the auction date.

# Executive Summary for October 2018

## Administrative Budget and Expenditures Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Oct-17	Sep-18	Oct-18
Monthly Expenditures	\$2.9	\$2.8	\$3.1
YTD Expenditures	\$5.8	\$2.8	\$5.8
Percentage of Budget Expended YTD	13.2%	6.1%	12.9%
Percentage of Personal Services Budget Expended YTD	15.3%	7.6%	15.2%
Percentage of Operating Expenses and Equipment Expended YTD	7.3%	2.1%	6.1%
Percentage of Fiscal Year Completed	16.7%	8.3%	16.7%
Total Authorized Positions	226	226	226
Total Filled Positions	189.5	193	196
Vacancy Rate	16.2%	14.6%	13.3%

- ▶ At 16.7% of FY2018-19 completed, 12.9% or \$5.8M of the total Administrative Budget (Personal Services Budget plus Operating Expenses and Equipment Budget) has been spent, which is in line with prior year expenditures.
- ▶ The percentage of Operating Expenses and Equipment Budget expended YTD for Oct-18 decreased 1.2% compared to Oct-17. Lower than expected spending in Training, Consulting and Professional Services and External are the primary drivers of underutilization.
- ▶ As of August 31, 2018, the Authority's vacancy rate is 13.3%, an improvement of 1.3% over the prior month and 1.4% lower than the statewide average of 14.7%.

**Note:** The Authority is developing a Program Management Plan (PMP). Once the PMP is finalized, impacted reports will subsequently reflect any applicable changes.

# Executive Summary for October 2018

## Capital Outlay Budget Summary

(\$ in millions)	Prior Year	Prior Month	Current Month
	Oct-17	Sep-18	Oct-18
Budget (Fiscal Year)	\$1,639.1	\$1,786.8	\$1,786.8
Monthly Expenditures	\$70.7	\$89.5	\$68.7
YTD Expenditures	\$169.2	\$89.5	\$158.2
Percentage of Budget Expended Year to Date	10.3%	5.0%	8.9%
Percentage of Fiscal Year Completed	16.7%	8.3%	16.7%

- ▶ The FY2018-19 budget supports activities reflected within the 2018 Business Plan and is based on a prioritization of executed contracts necessary for Central Valley development and construction, Silicon Valley to Central Valley segment planning, and Bookend Corridor project construction.
- ▶ Expenditures for Oct-18 were \$68.7M, 53.9% lower than the \$149M projected to be spent for the month.
- ▶ The underutilization of budget is primarily due to low spending within the construction packages and bookend projects.

**Note:** The FY2018-19 Capital Outlay Budget (\$1.787B) and Total Program Budget (\$13.665B) have been updated to reflect the Authority's 2018 Baseline.

## Total Project Expenditures with Forecasts

Total Program Expenditures to Date (\$ in millions)	
Construction	\$ 3,677.4
Project Development	\$ 1,006.3
Administration	\$ 211.8
<b>Total Expenditures</b>	<b>\$ 4,895.6</b>

State Match Liability				
Fund Type (\$ in millions)	Total Match	Match to Date	Remaining Match	% Matched to Date
State and Local Funds	(A)	(B)	(A - B)	(B / A)
State Match to ARRA Grant	\$ 2,453.7	\$ 293.1	\$ 2,160.6	11.9%
Local Match to ARRA Grant	\$ 52.1	\$ 1.0	\$ 51.1	1.9%
<b>Total</b>	<b>\$ 2,505.8</b>	<b>\$ 294.1</b>	<b>\$ 2,211.7</b>	<b>11.7%</b>

- ▶ The Authority is 21% through the straight-line State Match liability schedule, which started on July 1, 2017 and has a completion date of December 31, 2022, and has matched 11.7% of the total match requirement (\$294.1M matched out of the \$2.506B requirement).
- ▶ Total Program Expenditures to date since inception are \$4.896B, comprised of \$211.8M for Administration, \$1.006B for Project Development and \$3.677B for Construction.

# Executive Summary for October 2018

## Contracts and Expenditures Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Oct-17	Sep-18	Oct-18
Number of Contracts	283	227	228
Total Value of Contracts	\$5,584.4	\$5,859.2	\$5,902.2
Number of Purchase Orders	110	70	54
Total Value of Purchase Orders	\$1.0	\$1.2	\$0.9
Total Value Contracts and Purchase Orders	\$5,585.4	\$5,860.4	\$5,903.1
Small Business Utilization Rate	20.8%	20.7%	21.2%

- ▶ Contracts are predominately issued for services, while purchase orders are generally used to acquire goods.
- ▶ As of August 31, 2018, the Authority had 228 active contracts and 54 active purchase orders (POs) with a total value of \$5.903B.
- ▶ Month-over-Month the value of contracts increased by \$42.7M, primarily due to existing contract amendments. The value of PO's decreased \$300K.
- ▶ The Oct-18 report reflects a Small Business Utilization Rate (SBU) of 21.2%. The current rate represents a 5% increase from the inception of SBU reporting in Feb-15 of 16.2%.
- ▶ The Authority anticipates SBU to increase as construction activity ramps up moving closer to the SBU goal of 30%, per the Small and Disadvantaged Business Enterprise Policy approved in Aug-12.
- ▶ As of August 31, 2018 there are 474 small businesses actively working on the high-speed rail project, including 157 DBEs and 52 Certified DVBEs.

## Projects & Initiatives Report

Time Line		Prior Year	Prior Month	Current Month
		Oct-17	Sep-18	Oct-18
Satisfactory	■	6	12	13
Caution	◆	6	3	3
Escalate (red)	●	14	3	3
On hold	★	4	5	3
Completed	▲ ▼	1	1	2
n/a – Milestones TBD		5	6	6
Total		36	30	30

### Projects Removed Since May-17

- |  |   |   |
|--|---|---|
| 1) Advanced Mitigation Planning                        | 7) ARRA Expenditures 2017 1st Quarter                 | 15) Integrated Train Planning System                  |
| 2) Asset Management System – Maximo (AMO)              | 8) Compliance Verification Plan                       | Options Assessment Document                           |
| 3) PMIS - Enterprise Document Management System (EDMS) | 9) Master Quality Plan (MQP)                          | 16) Aesthetics Guidelines Configuration               |
| 4) PMIS - Risk Management System                       | 10) Risk Management Plan                              | 17) Management Plan                                   |
| 5) PMIS - Schedule Management System                   | 11) Capital Cost Estimate Plan for 2018 Business Plan | 18) Program Interface Management Plan (IMP)           |
| 6) ARRA Expenditures 2016 4 <sup>th</sup> Quarter      | 12) Program Controls Plan                             | 19) Records Management and Documentation Control Plan |
|  | 13) Resource Management Plan                          | 20) Administrative Records System (ARS) (kCura)       |
|  | 14) Work Plan Standards Guide                         |   |

- ▶ In Oct-18, the Programming Plan was Completed. Additionally, the status of Small Business Disadvantaged Business Program Plan Revision and Title Program Plan Revision changed from On Hold (purple) to Satisfactory (green).
- ▶ In Sep-18, end dates for all Construction Packages (CPI, CP2-3, and CP4) were updated to align with the recently approved 2018 Baseline, however, the status for each remain at Escalate (red).